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Washington (D.C.)

Clearing House Assoc.

Articles of association as  
amended...Jan. 19th, 1898

[Washington, D.C.]

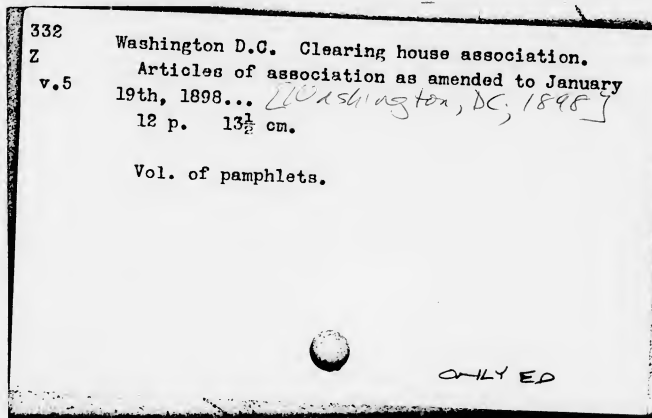
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ARTICLES OF ASSOCIATION

AS AMENDED TO JANUARY 19TH, 1898,

... OF ...

The Washington, D. C.,

CLEARING HOUSE  
ASSOCIATION.

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Organized April 15, 1887.

The undersigned Banks and Bankers of Washington City, in the District of Columbia, for the purpose of effecting a more perfect and satisfactory settlement of the daily balances between them, hereby associate together for that object, and agree upon the following Articles of Association :

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ARTICLE I.

*Name of Association.*

The name of this Association shall be "THE WASHINGTON, D. C., CLEARING HOUSE ASSOCIATION."

ARTICLE II.

*Objects.*

The objects of this Association shall be the effecting, at one place, of the daily exchanges between the several associated members and the payment, at the same place, of the balances resulting from such exchanges. But the Association shall, in nowise, be responsible in regard to the balances resulting therefrom except so far as such balances shall be actually paid into the hands of the Mana-

ger. The responsibility of the Association is strictly limited to the faithful distribution, by the Manager, among the creditor-members for the time being of the sums actually received by him, and should any loss occur while the said balances are in the custody of the Manager, such loss shall be borne and paid by the associated members in the same proportion as the other expenses of this Clearing House, as hereafter provided for.

#### ARTICLE III.

##### *Representation at Meetings.*

Each member of the Association shall be represented at all meetings thereof, in manner following : If the member be an incorporated bank, by the president, cashier, or a director, as such bank may appoint, and if the member be a banking firm, by a member of said firm, or such agent or employee thereof as such firm may appoint ; and each member present shall be entitled to one vote. At all meetings of the Association a quorum for the transaction of business shall consist of a majority of the whole number of associated members.

#### ARTICLE IV.

##### *Annual Meeting.*

The annual meeting of the Association shall be held at the National Metropolitan Bank, on the third Wednesday in January, of each year, at 4 o'clock p. m., when a Chairman and Secretary shall

be elected, by ballot, who shall hold their offices until their successors shall be elected in like manner and present themselves to enter upon the discharge of their respective duties. Whenever, at any meeting, either the Chairman or Secretary shall be absent, a Chairman or Secretary *pro tem* may be appointed.

#### ARTICLE V.

##### *Standing Committee.*

At every annual meeting there shall also be elected, by ballot, a standing committee of five, to be called "The Clearing House Committee," whose duty it shall be to procure, from time to time, suitable accommodations for the Clearing House, to furnish proper books, blanks, etc., and whatever else may be necessary for the convenient transaction of the business ; to appoint a Manager annually, and such clerks as may be necessary ; to establish by-laws and rules and regulations to be observed at the Clearing House in cases not provided for in the Articles of Association, subject to the approval of the Association, and generally to supervise the Clearing House affairs. This Committee shall have charge of the funds of the Association, shall pay all bills through the Treasurer, shall assess each member for the quota of the expenses, and shall report a statement of expenditures at the close of the year.

The Committee shall have the power to suspend the Manager or any clerk when in the opinion of

the Committee the interests of the Association shall require it, and in the event of a suspension shall report the same immediately to the Association; and the Committee shall also have the power to call a special meeting of the Association whenever and as often as it may appear to be necessary and proper so to do.

#### ARTICLE VI.

##### *Duties of Manager.*

The Manager, under the control of the "Clearing House Committee," shall have immediate charge of the business of the Clearing House so far as relates to the manner in which it shall be transacted, and the clerks as well as the messengers of the several members of the Association while at the Clearing House shall be under his direction.

He shall also act as Treasurer of the Association.

#### ARTICLE VII.

##### *Time of Making Exchanges.*

The hour for making the exchanges at the Clearing House shall be 11 o'clock a. m., precisely (on Saturday 10 a. m.). At that hour messengers from all the associated members shall appear with their demands separately made out by items and footed up against each member. Between the hours of 12 o'clock noon and 1 p. m. (on Saturday by 11.30 a. m.) the debtor-members shall pay to the Manager at the Clearing House the balances due from them respectively, in current funds.

At 1.30 o'clock p. m. (on Saturday, at 12 noon) the creditor-banks shall receive from the Manager at the same place the respective balances due to them, provided all the balances due from the debtor-members shall have been paid.

#### ARTICLE VIII.

##### *Custody of Exchanges.*

All checks or vouchers received by any member in the exchanges of any day shall remain the property of the members who presented the same respectively at the Clearing House, and shall be held in trust only by the member so receiving the same until all the balances arising from the exchanges of the day are paid, or until such checks or vouchers are returned, unmitigated, or the amount thereof is paid to the member who presented the same as aforesaid.

#### ARTICLE IX.

##### *Defaulting Members.*

Should any member of the Association fail to pay at the Clearing House at the proper hour the balance against it, the Manager shall immediately give notice to the respective members, who shall forthwith furnish to the Clearing House the amount of such balance in proportion to their respective balances against the defaulting member resulting from the exchanges of that day, and the amount so furnished to the Clearing House shall constitute claims

on the part of the responding members respectively against the defaulting member, but the Association shall in nowise be responsible therefor.

#### ARTICLE X.

##### *Adjustment of Errors.*

Errors in the exchanges and claims arising from the return of checks or from any other cause are to be adjusted by 1.30 p. m. (on Saturday by 1 p. m.), directly between the members which are parties thereto, and not through the Clearing House. In case of the refusal or inability of any member to promptly refund to the member presenting checks, drafts, or other items returned as not good, the member holding them may report to the Manager the amount of the same, and it shall be the duty of the Manager to take from the settling sheet of both members the amount of such checks, drafts, or other items so reported, and to readjust the Clearing House statement and declare the correct balance in conformity with the change so made, provided that such report shall be given to the Manager immediately, and in no case later than 2 p. m. of the same day.

#### ARTICLE XI.

##### *New Members.*

New members shall be admitted by a vote of two-thirds of all the members of the Association, but such vote must be taken by ballot at a regular or called meeting of the Association.

#### ARTICLE XII.

##### *Expenses.*

The expenses of the Clearing House shall be paid in proportion to the respective amount of clearings by the several members of the Association, in such manner as shall be prescribed by the Clearing House Committee.

#### ARTICLE XIII.

##### *Expulsion or Suspension of Members.*

For cause deemed sufficient by the Association at any meeting thereof, any member may be expelled or suspended from the privileges of the Clearing House, provided a majority of all the members of the Association shall vote in favor thereof.

#### ARTICLE XIV.

##### *Withdrawals.*

Any member of the Association may withdraw therefrom at pleasure, first paying its due proportion of all expenses incurred and signifying its intention to withdraw to the clearing House Committee one week in advance.

#### ARTICLE XV.

##### *Assent to Articles of Association.*

Assent to these Articles of Association shall be given by the subscription of the name of each member by its or their duly authorized representative to duplicate copies—one of which shall be

kept by the Chairman of the Clearing House Committee and the other by the Secretary of the Association.

#### ARTICLE XVI.

##### *Examination.*

The Clearing House Committee shall have full power and authority at any time to direct an examination, by any three persons the said Committee may designate, into the affairs and condition of any member, and to require the report of said persons, so designated, to be promptly made in writing to the Manager for the use and information of the other members of the Association, but to be otherwise confidential; *Provided, however,* that no such examination shall be made without the consent and the approval of the member to be examined.

#### ARTICLE XVII.

##### *Fines.*

The following scale of fines is established by this Association :

1. For all errors on Exchange Lists in the lists from any member, whether of footing or entry, each . . . . . \$2 00
2. For all errors on Exchange Lists in the lists to any member, whether of footing or entry, each . . . . . 1 00
3. For disorderly conduct of clerk or runner at the Clearing House or disregard of Manager's instructions, each offense . . 1 00
4. For clerk or runner failing to attend punctually with lists from presenting bank, complete and correctly footed, at the morning exchange, each offense . . . 1 00
5. For debtor-member failing to pay balance before 1 o'clock p. m., each offense . . 3 00
6. For clearing matter, not proper under the rules, each offense . . . . . 2 00

But no fines shall be imposed until the Clearing House Committee shall direct and empower the Manager to impose such fines, according to the foregoing schedule, as in his judgment may be just and proper.



ARTICLE XVIII.

*Matter that May be Cleared.*

1. All checks and sight-drafts on any member.
2. Demand or matured certificates of deposit issued by any member.
3. Matured acceptances, payable at the bank or banking house of any member.
4. Any other matter, certified or specially agreed to by any member, until notice shall be given to the contrary.
5. Promissory notes shall not be cleared, unless certified or authorized by the member at whose bank or banking house the same are payable.

ARTICLE XIX.

*Amendments.*

Amendments of these Articles of Association may be made at any meeting of the Association by a vote of a majority of all the members thereof, notice in writing of the proposed amendment having been given at a previous meeting.

**END OF  
TITLE**